

**Northern Plains Resource Council
Testimony on SB 297
February 15, 2011**

Senate Committee on Energy and Natural Resources
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Beth Kaeding
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Mr. Chairman and members of the Committee, thank you for the opportunity to speak before you today. My name is Beth Kaeding and I live in Bozeman. I am the past chair of Northern Plains Resource Council, a grassroots conservation and family agriculture organization that organizes Montana citizens to protect our water quality, family farms and ranches, and rural economies. I am here today on behalf of our members.

Northern Plains Resource Council opposes SB 297. For starters, this is a confusing and convoluted bill that opens up a number of unintended consequences. Let's start with the definitions on page 2 and 3. If a coal beneficiation plant – on page 2, line 27 - means “a commercial facility where coal is subject to coal preparation that is not *operated or controlled* by the mine operator of the mine providing the coal,” what happens if the mine operator *owns* the plant? Is that allowed under this definition? Also, on page 3, in the definitions of coal preparation (line 2) and coal preparation plant (line 7), the conversion of coal to another energy form or to a gaseous or liquid hydrocarbon is excluded from both. Why would that not be excluded from the definition of a “coal beneficiation plant” in section 9? Is it meant to be? We feel that the combination of these definitions creates potential legal loopholes that may not be intended.

Second, if a coal beneficiation plant is not regulated under Surface and Underground Mining Reclamation Act, as the intention of this bill seems to be, then what laws will regulate these plants? Are they still subject to air, water, and waste permitting? Are these plants subject to siting laws and regulations? Is there a process, including a public process, that would be followed to permit these plants to operate? What about taxation? Looking at page 7, lines 16-25, we understand how “strip mining”, “remining”, and “coal preparation” are classified in the tax code, but where would a beneficiation plant fit in to the tax code?

The bottom line - we do not understand what this bill is trying to “correct.” Is this a solution looking for a problem?

Northern Plains urges this Committee to vote “NO” on SB 297.

**Northern Plains Resource Council
Testimony on SB 292
February 15, 2011**

Beth Kaeding
2/15/2011

Mr. Chairman and members of the Committee, thank you for the opportunity to speak before you today. My name is Beth Kaeding and I live in Bozeman. I am the past chair of Northern Plains Resource Council, a grassroots conservation and family agriculture organization that organizes Montana citizens to protect our water quality, family farms and ranches, and rural economies. I am here today on behalf of our members.

Northern Plains Resource Council opposes SB 292 because of the potential that *in situ* coal gasification has for contaminating our state's groundwater aquifers. In the definitions section (see page 10, line 30, and page 11, line 1) the term "pollution" does not include "contamination of groundwater within the boundaries of an underground mine. . . ." Groundwater aquifers are interconnected, not only with other aquifers but eventually with surface waters in many cases. This exemption, then, is a recipe for unintended consequences.

We have numerous examples around the state where mining and related activities – that were promised to be self-contained – have contaminated underground aquifers and impacted Montana's waters. Two prominent examples come to mind: the leaking coal ash ponds at Colstrip and the contamination of aquifers and the Jefferson River by the Golden Sunlight Mine. In researching *in situ* coal gasification, I found that organic as well as toxic materials (such as phenol) remain in the underground chamber after gasification and, therefore, are likely to leach into groundwater. Phenol leachate is a significant environmental hazard due to its high water solubility and high reactivity to gasification. So my question is this: under the language in this bill, at what point would contamination spreading through aquifers become pollution with remediation and redress of harm allowed? How are adjacent landowners to protect themselves, their livestock, and their livelihoods from this potential spread of contamination?

At this time, *in situ* coal gasification is an experimental process. Until it is known scientifically and from an engineering standpoint whether or not *in situ* coal gasification is possible, and until it has been shown that the benefits of this process outweigh the potential hazardous environmental costs, it is too early to promulgate rules for such a process. We believe this bill is premature.

As a final note, we are surprised that New Section 1, #2 mandates that any rule that is adopted (as a result of this bill) may not be more stringent than the comparable federal regulation or guideline. We find this stipulation very interesting coming from a legislature that prides itself on ensuring that Montana is set apart from the federal government. . . . Northern Plains continues to believe that Montana should set the bar high, ensure that our lands and waters and our people are fully protected for future generations. If that means that we have laws that are stricter than those of the federal government, then that is a good thing for Montana and her future generations.

Northern Plains respectfully urges this Committee to vote "NO" on SB 292.

**Northern Plains Resource Council
Testimony on SB 305
February 15, 2011**

*Beth Kaeding
2/15/2011*

Mr. Chairman and members of the Committee, thank you for the opportunity to speak before you today. My name is Beth Kaeding and I live in Bozeman. I am the past chair of Northern Plains Resource Council, a grassroots conservation and family agriculture organization that organizes Montana citizens to protect our water quality, family farms and ranches, and rural economies. I am here today on behalf of our members.

Northern Plains Resource Council opposes SB 305. This bill takes a simple, reasonable, and encompassing goal statement for Montana's energy policy and complicates it to the point of being unreasonable. This bill creates a haphazard laundry list of energy policy statements that may appear on the surface to be all-encompassing but, in reality, will be difficult and unworkable in practice. I would imagine that anyone in this room could come up with something that is not on this list. A laundry list is not flexible nor is it adaptive – markets will change, prices will change, and, most importantly, technology will change. This bill is bad public policy.

Northern Plains participated in the Energy and Telecommunications Interim Committee (ETIC), which reviewed this idea of having a laundry list of energy policy statements. The interim committee carefully considered this approach but rejected it after much discussion. This Committee should accept the ETIC's hard work and its decision.

Northern Plains respectfully urges this Committee to retain the general and encompassing energy goal statement for Montana, as it is written in Section 1(a), because it allows flexibility to the state's energy policy goal. We urge you to vote "NO" on SB 305.

Testimony for SB 330, (S) Energy and Telecommunications
Beth Kaeding, Past Chair Northern Plains Resource Council
February 15, 2011

Beth Kaeding
2/15/2011

Mr. Chairman and members of the Committee, thank you for the opportunity to speak before you today. My name is Beth Kaeding and I live in Bozeman. I am the past chair of Northern Plains Resource Council, a grassroots conservation and family agriculture organization that organizes Montana citizens to protect our water quality, family farms and ranches, and rural economies. I am here today on behalf of our members.

Northern Plains members stand in opposition to SB 330. In practice, SB 330 will make the state's renewable energy standard essentially optional by devaluing the renewable energy credits. By establishing such a liberal waiver system, SB 330 leaves little incentive for public utilities to comply with current standard. Current law has allowed for renewable energy credits to create incentives for companies to invest in clean energy and bring millions of dollars in tax revenues to rural communities across Montana. If you de-value a REC then you are de-valuing all of the environmental benefits, job growth, and rural prosperity that the development of renewable energy creates.

We merely need to look at the status quo to see that SB 330 is unnecessary. Public utilities are complying with the current law and no companies have applied for the waiver. SB 330 seems to be creating a solution where there isn't a problem- and in the end SB 330 only hurts Montanans. Northern Plains encourages you to vote no on SB 330.

Thank you.